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*To ensure access to high-quality,
patient-centered, cost-effective health
care to Los Angeles County residents
through direct services at DHS facilities
and through collaboration with
community and university partners.*



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February 18, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF SOLE SOURCE AGREEMENT WITH THE CENTER TO
PROMOTE HEALTHCARE ACCESS, INC. D.B.A. SOCIAL INTEREST
SOLUTIONS FOR AN ELECTRONIC ELIGIBILITY AND ENROLLMENT
SYSTEM
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION
()
DISAPPROVE ()**

SUBJECT

Approval of a Sole Source Agreement with the Center to Promote Healthcare Access, Inc. d.b.a. Social Interest Solutions for the provision of an electronic eligibility and enrollment system, otherwise known as One-e-App, initially available at the Community Partner clinic sites and eventually at the Department of Health Services facilities.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Director of Health Services (Director), or his designee, to execute a Sole Source Agreement with the Center to Promote Healthcare Access, Inc. d.b.a. Social Interest Solutions (SIS), for access to the One-e-App (OEA) system, effective upon Board approval for a 60 month period after a final acceptance of the OEA with a maximum contract sum of \$4,795,442 during the term, which includes pool dollars in the amount of \$435,950.

2. Delegate authority to the Director, or his designee, to execute future Amendments to permit the Department of Health Services (DHS or Department) to: (a) add, delete, and/or change non-substantive terms and conditions in the Agreement; and/or make any necessary changes required by either State or Federal laws; (b) approve necessary changes to the Statement of Work and make changes to the work component pricing with no change to maximum contract sum; (c) implement additional programmatic and administrative changes, including modifications to DHS operational protocols that are reflected in the Agreement and other adjustments that do not materially alter the scope of service; and (d) use pool dollars to provide for additional work described in the Agreement as needed, subject to the review and approval by County Counsel and the Chief Information Office (CIO).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow the Director, or his designee, to execute a Sole Source Agreement, to establish a Board-approved Agreement with SIS, which will enable DHS to access OEA for use at all Community Partner (CP) clinic sites and then eventually make available to all DHS facilities, as appropriate. OEA is used to first screen applicants to determine whether they may be eligible for various health care programs (e.g. Medi-Cal, the County's Healthy Way LA Kids Program, etc.). After the initial screening, if it is determined that the applicant may be eligible for a health care program, the applicant will be referred accordingly to apply for the programs. Based on the OEA screening, if the applicants do not qualify for any health care programs, they will be enrolled into the Healthy Way LA (HWLA) Unmatched program, which is a County funded program to assist eligible participants with accessing certain health care services. DHS may also expand the use of OEA to determine eligibility for other DHS programs serving the uninsured, as needed.

Approval of the second recommendation will allow the Director, or his designee, to amend the Agreement to make various types of changes with no change to the Agreement's maximum obligation. Such delegated authority will enable DHS to proactively address any ongoing areas of improvement, comply with any statutory and regulatory changes, and refine system improvements throughout the term of the Agreement.

Background

DHS advised the Board on October 31, 2013 of its intent to enter into Sole Source negotiations with SIS for the provision and development of OEA. In 1999, the California HealthCare Foundation (CHCF) began the development of Healthy-e-App, which was the first Web-based system in the U.S. to help facilitate enrollment into California's State Children's Health Insurance Program (S-CHIP) and Medi-Cal. The intellectual property and licensure for Healthy-e-App was owned by the CHCF. In 2001, CHCF licensed Healthy-e-App to the State of California at no cost. After the success of Healthy-e-App, several California counties and some states (Arizona and Indiana), with support from both CHCF and The California Endowment (TCE), worked to expand the Healthy-e-App by creating a product, called One-e-App, that provides a single point of entry for a range of local and state-administered health and social services programs. In 2005, CHCF and TCE created SIS (formerly known as The Center to Promote HealthCare Access, Inc.) to manage the ongoing development and operation of One-e-App. In 2006, SIS became an independent 501(c)(3) and in late 2013, CHCF transferred the One-e-App license to SIS. One-e-App is uniquely situated as a proven solution in California for streamlining enrollment in public programs, including enrollment for the uninsured population.

DHS is developing a health care program designed to expand access to health services, address gaps in the health care experiences of the uninsured, and deliver appropriate care to residually uninsured residents. This successor to the HWLA Unmatched Program will provide a comprehensive, organized, integrated health access program for the uninsured population. The new program is targeted for implementation in September 2014. DHS will be implementing and customizing this web-based eligibility and enrollment system to determine eligibility for the successor to the HWLA Unmatched Program, track enrollment, facilitate selection of a primary care medical home, and serve as a mechanism for capitated payment reform. The eligibility and enrollment system must be implemented prior to the successor HWLA Unmatched Program going live.

Recommended Agreement

DHS, with assistance and support from the Chief Information Officer (CIO) and County Counsel, negotiated an Agreement with SIS that will enable DHS to maintain access to this highly customized software that will continue to be refined to improve access to health care, particularly to residually uninsured County residents, as DHS proceeds with implementing the Affordable Care Act (ACA).

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness and Goal 3, Integrated Services Delivery of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The total maximum obligation for the initial term is \$4,795,442.

Funding is included in DHS' Fiscal Year 2013-14 Final Budget and will be requested in future fiscal years as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

OEA will facilitate electronic eligibility, enrollment, and create a streamlined and electronic enrollment process for the successor to the HWLA Unmatched Program. OEA is an electronic application management system that gathers applicant information via a Web-browser user interface and stores information in a database management system.

The Agreement with SIS will be consistent with the County's standard terms and conditions with exceptions to the indemnification and termination provisions. To allow the time-sensitive implementation of OEA to begin, DHS negotiated mutual termination and limitation of liability provisions with SIS. The Chief Executive Office's Risk Management Operations (CEO-RMO) was consulted regarding the limitation of liability provision. CEO-RMO informed DHS that it is DHS' business decision to accept the negotiated provision. The Agreement includes robust privacy and network security liability insurance requirements to protect the County in the event of a privacy breach. County Counsel will review and approve this Agreement prior to execution. The CIO concurs with the Department's recommendation and the CIO Analysis is included as Attachment A.

CONTRACTING PROCESS

SIS is the owner and licensor of the proprietary software, OEA, which was designed to provide a single point of entry for a range of local and state-administered health and social services programs. OEA is currently implemented in over 14 counties in California, providing SIS with extensive experience in county-specific customized implementation in multiple counties. OEA will automate the eligibility and enrollment process customized for CP's and DHS' needs. Moreover, OEA is based on technology that has proven itself in other California counties, and will improve healthcare access for the residually uninsured population of Los Angeles County.

DHS considered several options to obtain a comparable system and determined it was in the best interest of the County to proceed with a Sole Source Agreement with SIS given the very short timeframe to acquire, develop, and implement a Web-based eligibility system prior to implementation of the successor to the HWLA Unmatched Program. Conducting a competitive solicitation for a comparable eligibility and enrollment system would take approximately 12-18 months, with additional time necessary for design, testing, and implementation of the system which would postpone implementation of the successor to the HWLA Unmatched Program. DHS also examined the feasibility of developing a system in-house, but does not currently have the internal technology resources to develop and host a comparable system. SIS is the only entity capable of providing an appropriate eligibility system with the scope DHS requires within the short timeframe in order to meet the September 2014 implementation of OEA.

With its current presence in California, SIS, the non-profit firm, is committed to continued enhancements to the OEA to benefit all counties using the system. Moreover, OEA, as a software as a service model, will save DHS Web-hosting and maintenance costs. For the foregoing reasons, it is in the best interest of the County to award a Sole Source Agreement to SIS.

Attachment B is the Sole Source Checklist in compliance with Board Policy 5.100.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will provide an automated eligibility and enrollment process customized for CPs' and DHS' needs.

Respectfully submitted,



Mitchell H. Katz, M.D.
Director



RICHARD SANCHEZ
Chief Information Officer

MHK:RS:jl

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors



RICHARD SANCHEZ
CHIEF INFORMATION OFFICER

Office of the CIO
CIO Analysis

NUMBER:

CA 14-03

DATE:

2/4/14

SUBJECT:

APPROVAL OF SOLE SOURCE AGREEMENT WITH THE CENTER TO PROMOTE HEALTHCARE ACCESS, INC. D.B.A. SOCIAL INTEREST SOLUTIONS FOR AN ELECTRONIC ELIGIBILITY AND ENROLLMENT SYSTEM

RECOMMENDATION:

☒ Approve☐ Approve with Modification☐ Disapprove

CONTRACT TYPE:

☒ New Contract☒ Sole Source☐ Amendment to Contract #:☐ Other: Describe contract type.

CONTRACT COMPONENTS:

☒ Software☒ Hardware☐ Telecommunications☒ Professional Services

SUMMARY:

Department Executive Sponsor: **Mitchell H. Katz, M.D., Director**
Department of Health Services (DHS)

DESCRIPTION:

1. Authorization to execute a Sole Source Agreement with Social Interest Solutions (SIS), to access the One-e-App (OEA) system, for a 60 month period after a final acceptance of OEA with a maximum contract sum of \$4,795,442 during the term, that includes pool dollars in the amount of \$435,950.
2. Delegate authority to the DHS Director to execute future Amendments to: make non-substantive changes in the terms of the Agreement as would be required; make needed changes in the Statement of Work (SOW); make changes to the work component pricing, make changes to operational procedures but no change to maximum contract sum; and use pool dollars for any additional work, subject to the review and approval by County Counsel and the Chief Information Office (CIO).



Contract Amount: **\$4,795,442**

Funding Source: **DHS Fiscal Year (FY) 2013-14**
Final Budget

☐ Legislative or Regulatory Mandate☐ Subvened/Grant Funded:

Strategic and Business Analysis	<p>PROJECT GOALS AND OBJECTIVES:</p> <p>DHS is developing a health care program designed to expand access to health services, address gaps in the health care experiences of the uninsured, and deliver appropriate care to residually uninsured residents. This successor to the Healthy Way LA (HWLA) Unmatched Program will provide a comprehensive, organized, integrated health access program for the uninsured population. The new program is targeted for implementation in September 2014.</p>
	<p>BUSINESS DRIVERS:</p> <p>The key business drivers for the project are:</p> <ol style="list-style-type: none"> 1. Preserve Access to Care for Unmatched Patients. Approximately 400,000 individuals in Los Angeles County will not be eligible for any health care coverage programs after the Affordable Care Act (ACA) is fully implemented in 2019. DHS and its Community Partner (CP) clinics will continue to be the safety net for this population. 2. Payment Reform: Rationalize the payment system by moving away from a fee-for-service (FFS) billable provider visit to care team encounters in a patient-centered medical home model. 3. Improve Efficiency and Reduce Unnecessary Costs: Collaboration among health clinics and providers will avoid unnecessary duplication of services and improve service utilization. This would also streamline and simplify administrative systems between DHS and CP Clinics by simplifying processes for HWLA Unmatched enrollment and billing.
	<p>PROJECT ORGANIZATION:</p> <p>The DHS Business Project Director is Tangerine Brigham, Deputy Director, Managed Care Services and Project Manager is Kayee Chan, Director, Managed Care Services, IT Business Operations.</p>
	<p>PERFORMANCE METRICS:</p> <p>This project will gather data to measure:</p> <ol style="list-style-type: none"> 1. Initial enrollment in the HWLA Unmatched program over a 3, 6, 9, and 12 month period. 2. Distribution of the County's uninsured population across medical homes - demographics of the uninsured population (e.g., ethnicity, age, gender, income level, etc.) will be collected.
	<p>STRATEGIC AND BUSINESS ALIGNMENT:</p> <p>The project supports Goal 1, Operational Effectiveness and Goal 3, Integrated Services Delivery of the County's Strategic Plan.</p>

	<p>PROJECT APPROACH:</p> <p>OEA is a Software as a Services (SaaS) platform, which will be accessed at the County's CP clinic sites, and eventually at DHS facilities to enroll qualified applicants into the County's successor to the HWLA Unmatched Program. DHS has secured a grant-funded implementation project manager to oversee OEA's operation.</p> <p>DHS will implement OEA using a phased approach. DHS will first identify and select a small but diverse group of CP sites (3-5), where OEA will be first implemented as a pilot phase. DHS will also develop a comprehensive deployment plan for implementation at other CP sites after testing and final acceptance, with the remaining CP sites going live in conjunction with the successor to the HWLA Unmatched program. The total number of sites is approximately 200 and the estimated time for completion of implementation is September 2014.</p> <hr/> <p>ALTERNATIVES ANALYZED:</p> <p>DHS considered several options to obtain a comparable system and determined the best option was to proceed with a Sole Source Agreement with SIS given the very short timeframe to acquire, develop, and implement an eligibility system in support of the successor to the HWLA Unmatched Program. With its current presence in California, SIS, a non-profit firm, is committed to providing continued enhancements to OEA for the benefit of all California counties.</p>
<p>Technical Analysis</p>	<p>DHS will implement this eligibility and enrollment system to track enrollment, select a primary care medical home facility, and facilitate capitated payment reform.</p> <p><u>Functionality:</u></p> <p>OEA provides a secure single point of entry that screens applicants for preliminary eligibility into government health care/insurance programs (e.g., Covered California, Medi-Cal, and Healthy Kids) and enrollment of low income, uninsured applicants into the HWLA Unmatched Program through a rules engine.</p> <p><u>Application Architecture:</u> OEA is a web-based application built on service-oriented and enterprise service bus architecture and is Medicaid Information Technology Architecture (MITA) compliant. Authorized users access the application via a web-browser (e.g., Internet Explorer 7.0 or higher) through standard Internet connectivity (e.g., T1, DSL, cable service). The application is built on .NET and uses Microsoft SQL server as the database platform.</p> <p><u>Infrastructure:</u> OEA is a hosted web-based infrastructure with separate environments for development, training, pre-production, and production for seamless transition. It has integrated Ad Hoc reporting,</p>

	auditing/tracking, application performance/monitoring tools. The application is deployed on a VMware (3.3) virtualized environment with Secure Sockets Layer (SSL) certificates and encryption key. Primary data center is a Tier 3 data center located in Sacramento, CA and managed by Quality Technology Services. The Disaster Recovery site (DR) is in Denver, CO (Verizon Datacenter).
Financial Analysis	BUDGET: Contract costs One-time costs: Implementation Services \$ 1,181,500 Ongoing annual costs: Maintenance & Support \$ 3,177,992 (over 5 year term) Pool Dollars \$ 435,950 Total Contract Costs:..... \$ 4,795,442
Risk Analysis	RISK MITIGATION: The Chief Information Security Officer (CISO) reviewed the Agreement and did not identify any IT security or privacy related issues.
CIO Approval	PREPARED BY:  _____ Sanmay Mukhopadhyay, Sr. Associate CIO Date <u>2/5/14</u> APPROVED:  _____ Richard Sanchez, Chief Information Officer Date <u>2/5/14</u>

Please contact the Office of the CIO (213.253.5600 or info@cio.lacounty.gov) for questions concerning this CIO Analysis. This document is also available online at <http://ciointranet.lacounty.gov/>

SOLE SOURCE CHECKLIST

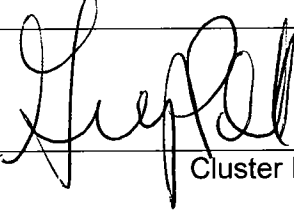
CENTER TO PROMOTE HEALTHCARE ACCESS, INC. D.B.A. SOCIAL INTEREST SOLUTIONS, ALSO KNOW AS ONE-E-APP

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source for the service exists; performance and price competition are not available.
	➤ Quick action is required (emergency situation).
	➤ Proposals have been solicited but no satisfactory proposals were received.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.
	➤ It is most cost-effective to obtain services by exercising an option under an existing contract.
✓	<p>➤ It is in the best interest of the County e.g., administrative cost savings, excessive learning curve for a new service provider, etc.</p> <p>SIS is the owner and licensor of the proprietary software, OEA, which was designed to provide a single point of entry for a range of local and state-administered health and social services programs. OEA is currently implemented in over 14 counties in California, providing SIS with extensive experience in county-specific customized implementation in multiple counties. Streamlining and automating eligibility and enrollment process will automate the eligibility and enrollment process customized for CP's and DHS' needs, and moreover, based on technology that has proven itself in other California counties, will improve healthcare access for the residually uninsured population of Los Angeles County.</p> <p>DHS considered several options to obtain a comparable system and determined it was in the best interest of the County to proceed with a sole source Agreement with SIS given the very short timeframe to acquire, develop, and implement a web-based eligibility system prior to implementation of the successor to the HWLA Unmatched Program which targeted for implementation in September 2014. Conducting a</p>

competitive solicitation for a comparable eligibility and enrollment system would take approximately 12-18 months, with additional time necessary for design, testing and implementation of the system which would postpone implementation of the successor to the HWLA Unmatched Program. DHS also examined the feasibility of developing a system in-house but does not currently have the internal technology resources to develop and host a comparable system.

With its current presence in California, the non-profit firm, SIS, is committed to continued enhancements to the OEA for the benefit all counties using the system. Moreover, OEA, as a software service model, will save DHS web hosting and maintenance costs. For the foregoing reasons, it is in the best interest of the County to award a Sole Source Agreement with SIS.

➤ Other reason. Please explain:



Cluster Lead

1/17/14

Date